Request for Quotation under a State Contract

QUOTATION CONDITIONS AND STATEMENT OF REQUIREMENTS

Version 1

NSWSES000273

Procurement Optimisation

Issue Date: 10 May 2019

Closing Date: 17 June 2019

Closing Time:10.00am

Contact Officer

Respondents should refer requests for information or advice regarding this RFQ to:

CONTACT NAME	Marina Honeysett
CONTACT POSTAL ADDRESS	93-99 Burelli Street Wollongong NSW 2500 P.O. Box 6126, Wollongong, NSW, 2500
CONTACT PHONE	02 4251 6584
CONTACT EMAIL ADDRESS	*tenders@ses.nsw.gov.au*

Any information given to a respondent to clarify any aspect of this RFQ will also be given to all other respondents if in the opinion of the Principal it would be unfair not to do so.

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RFQ OVERVIEW

1. Introduction

1.1 Background

The Principal is responsible for the delivery of the RFQ process, assisted by NSW Procurement.

This RFQ invites selected Contractors appointed under Agreement no: SCM0020 ICT Services to supply the listed items. It is the intention where possible, to appoint one contractor as the preferred supplier for the Goods/Services listed in Statement of Requirements of this RFQ.

The Principal wishes to achieve greater value from its panel arrangement under Agreement no: SCM0020 ICT Services within the term of that Agreement, and has analysed and developed opportunities to achieve this.

1.2 Contract and Duration

1.2.1 There will be no Customer Contract to be established with successful respondent unless and until an Order is placed in accordance with the Agreement No: SCM0020 ICT Services

1.2.2 The Contract will be for the term of 12 months with the SES requiring that the Project be finished in this timeframe. A six month extension is possible, due to factors outside the control of the NSW SES like an extended weather event that could delay the project timeline.

CONDITIONS OF QUOTATION

2. RFQ Preparation

2.1 Respondent to inform itself

2.1.1 Before submitting its quotation, a respondent must:

2.1.2 Examine all information relevant to the risks and contingencies and other circumstances having an effect on its Quotation; and

2.1.3 Satisfy itself:

(a) that the price is correct; and

(b) that it is financially and practically viable for it to enter into and perform the Customer Contract to be established under Agreement No: SCM0020 ICT Services.

3. RFQ Process

3.1 Quotation Lodgement

3.1.1 Quotations (including all supporting information, if any) must be submitted electronically in accordance with this RFQ and fully received by the Closing Date and Closing Time. Respondents must complete all of the Response document and must not amend any of the questions provided. Prices, responses and other information provided in the quotation must be in writing and in English. The quoted price must be in Australian dollars.

The quotation must be submitted electronically to the electronic tender box for this RFQ via the NSW Department of Finance, Services and Innovation's tenders website at: *https://tenders.nsw.gov.au/commerce* (Login in as a system user, locate the web page for this RFQ, and follow the on screen instructions to lodge the quotation. The lodgement can only be made by a registered system user of the NSW Government eTendering system.

3.1.2 Respondents should notify the Contact Officer in writing on or before the Closing Date and Time if they find any discrepancy, error or omission in this RFQ.

A respondent, by lodging a quotation (electronically or otherwise), is taken to have accepted conditions shown in the Conditions and rules on the NSW Department of Finance, Services and Innovation's tenders website at *https://tenders.nsw.gov.au/commerce*.

3.2 Quotation Validity Period

3.2.1 The quotation will remain open for acceptance by the Principal for a period of 6 months from the Closing Date and Time for quotations.

3.3 Corruption or Unethical Conduct

3.3.1 Respondents must comply with the requirements of the NSW Department of Finance, Services and Innovation's Business Ethics Statement, which is available at the link below and must disclose any conflicts of interests in Response.

3.3.2 If a respondent, or any of its officers, employees, agents or sub-contractors is found to have:

(a) offered any inducement or reward to any public servant or employee, agent or subcontractor of the Principal, Customer or the NSW Government in connection with this RFQ or the submitted Quotation;

(b) committed corrupt conduct in the meaning of the Independent Commission Against Corruption Act 1988;

(c) a record or alleged record of unethical behaviour; or not complied with the requirements of NSW Department of Finance, Services and Innovation's Business Ethics Statement available at: *https://www.finance.nsw.gov.au/about-us/business-ethics*

this may result in the quotation not receiving further consideration.

3.3.3 The Principal may, in its discretion, invite a relevant respondent to provide written comments within a specified time before the Principal excludes the respondent on this basis.

3.3.4 If the Principal becomes aware of improper conflict of interests by a successful respondent after an Agreement has been executed, then the Principal reserves the right to terminate the General Conditions of Contract that has been made under it.

3.4 **Goods and Services Procurement Policy Framework**

3.4.1 In submitting its quotation, the respondent signifies agreement to comply with the Framework.

3.4.2 Failure to comply with the Framework may be taken into account by the Principal when considering the respondent's quotation or any subsequent quotation, and may result in the quotation being passed over.

3.5 **Cost of Respondent's Participation in the RFQ**

3.5.1 The respondent acknowledges that the Principal will not be liable to it for any expenses or costs incurred by it as a result of its participation in this RFQ, including where the RFQ has been discontinued.

3.6 **Evaluation Process**

3.6.1 Respondent will be assessed against the evaluation criteria listed below which are not indicated in order of significance or equal weight. The evaluation criteria for this RFQ that do not relate to price will account for 60% of the total evaluation score. The evaluation criteria for this RFQ that relate to price will account for 40% of the total evaluation score. Information supplied by the respondent in Response will contribute to the assessment against each criterion.

3.6.2 Respondents are advised to respond clearly to all the evaluation criteria listed in this RFQ. Quotations that do not include a fully completed Response, in particular those quotations which do not contain sufficient information to permit a proper evaluation to be conducted, or electronic quotations that cannot be effectively evaluated because the file has become corrupt, may be excluded from the quotation process without further consideration at the Principal's discretion.

3.7 **Evaluation Criteria**

3.7.1 The evaluation criteria for this RFQ (which include but are not limited to) are:

    (a)   Compliance with the Statement of Requirements & Associated Appendices

    (b)   Price and value for money;

    (c)   Previous experience and performance on meeting the requirements covered in this RFQ or other similar requirements;

    (d)   Proposed implementation plan, including the **proposed project timeline**.

4. Pricing

4.1.1 Submissions are to itemise quoted pricing to include, pricing in 3 components as below;

Part A - Procurement Application.

Part B - Configuration Services (Appendix A and items designated as part B, itemised separately).

Part C – Any Optional Extra (Not included in core tender response price Part A).

Each part (A, B or C) should itemised as below for each item if applicable to that part;

- Itemised cost of acquisition and licencing fees for any system(s) recommended.
- Cost of acquisition of any system or hardware recommended, as optional extras.
- Consultant resources, time required and rates.
- Any other costs.

5. INCLUSIONS

5.1.1 The following materials, if not mentioned previously, should also be included in the RFT response:

- A covering letter that includes all services or requirements of this RFT, including a clear statement of ability to deliver project before expected end date of 30th June 2020.
- Clear statement on scope inclusions and out of scope exclusions for the quoted price.
- Quote may include itemised prices for supply of any suggested hardware, scanning/RFID devices, label printers as optional extras.
- Expected deliverables and any resources required from NSW SES.
- A schedule of pricing including any pricing model options which SES may accept.
- Description of similar projects delivered to NSW government organisations.
- List of previously completed optimisation projects for MM systems and contacts willing to act as reference, preferable within NSW government organisations.

- Specified names and positions of the proposed project team members who will undertake the service and the part of the service they are to perform and include SAP qualifications and experience.
- Dedicated person to act as single point of contact and project manager for the initiative.
- List of recently completed projects similar in scope to that sought in this RFT.
- Statement confirming Tenderer's ability to meet the timelines indicated at 7.1 Provisional RFT Program Timing.

5.2 Acceptance or Rejection of Quotations

The Principal is not bound to accept the lowest or any quotation.

5.3 Provisional RFQ Program Timing

Given below is the Principal's provisional RFQ program. The Principal may, at its absolute discretion, amend the provisional RFQ program.

Project completion date listed below is desirable and tenderers may propose alternative dates if they feel that would be more appropriate, noting that nominated project completion date will be assessed as part of the tender evaluation criteria.

Program Milestone	(dd/mm/yyyy)
RFQ issue	10/05/2019
Tender briefing	16/05/2019
RFQ Close Date	17/06/2019
Execution of Agreement	30/06/2019
Transitioning requirements completed	19/07/2019
Commencement of supply of Goods/Services	29/07/2019
Project completion date	31/12/2019

5.4 Tenderer Briefing – Mandatory Requirement

A **mandatory tenderer briefing** will be held on the date, time, and place, indicated below. The contact officer will be available at that time to answer any queries regarding this RFQ and the tender process generally. Names of persons attending the tenderer briefing must be provided to the contact officer at least 3 working days prior to the date. No more than 2 persons from each tenderer will be permitted to attend the tender briefing session.

Location: NSW SES State Headquarters 93-99 Burelli Street, Wollongong, NSW, 2500

Date: 16 May 2019

Time: 10:30am

6. Exchange of Information between Government Agencies

6.1 By lodging a quotation the respondent will authorise the Principal to make information available, on request, to any NSW government agency. This includes information dealing with the respondent's performance on any prior contract that has been awarded. Such information may be used by the recipient NSW Government agency for assessment of the suitability for pre-qualification, selective tender lists, expressions of interest or the award of a contract.

6.2 The provision of the information by the Principal to any other NSW Government agency is agreed by the respondent to be a communication falling within section 30 of the Defamation Act 2005 (NSW), and the respondent shall have no claim against the Principal and the State of New South Wales in respect of any matter arising out of the provision or receipt of such information, including any claim for loss to the respondent arising out of the communication.

7. Disclosure Information

7.1 Following the Principal's decision, all respondents will be notified in writing of the outcome of their quotations.

7.2 Details of this quotation and the outcome of the quotation process will be disclosed in accordance with the Government Information (Public Access) Act (NSW) and the Premier's Memorandum 2007-01.

8. Complaints Procedure

8.1 It is the NSW Government's objective to ensure that industry is given every opportunity to win Government contracts. Should any entity feel that it has been unfairly excluded from quotation or unfairly disadvantaged by the Agreement or the Statement of Requirements, it is invited to write to:

Chairperson

NSW Procurement Board

McKell Building

2-24 Rawson Place

Sydney NSW 2000

STATEMENT OF REQUIREMENTS

1. Introduction

The NSW State Emergency Service has recently gone through an Organisational Transformation, as part of that process, a review of the Finance Assets Business Services (FABS) Directorate was also undertaken, the entire FABS framework has been reviewed and new policies, doctrine and procedures have been implemented to commence business process improvement with a number of initiatives identified and prioritised into a FABS Improvements Program.

With the organisational transformation there was a consolidation from 17 regions to 5 zones, plus the introduction of centralised procurement, using manually completed word document requisition forms, and centralised accounts payable with no process automation, these initiatives combined have resulted in a fundamental change to the nature of the SES supply chain all of which currently requires significant finance, procurement and logistics resources.

2. Scope

The following scope and boundaries define the purpose of this initiative, anything not covered below within the functional and non-functional requirements sections is considered out of scope.

The business requirements outlined in the Statement of Requirements are to be read in conjunction with the Business Requirements listed in Appendix C. If tenderers have any questions on requirements of this tender they should seek clarification from SES subject matter experts at the compulsory tender briefing session.

SAP system development, enhancements and integration now need to occur to strengthen the agency's procurement request and fulfilment processes, needed to support the Procurement Optimisation, initiative as part of the FABS Improvement program of works. Initiative must increase procurement process efficiency, accuracy and compliance while enhancing user experience and reducing the overall request turn-around time.

This initiative would look at current procurement activities within SES, including the procurement strategy, policy and procedures, define a set of standardised processes supporting the new operating structure with Zones and Unit Clusters. The project would also look at creating mobile applications, were appropriate, including allowing relevant procurement related transactions directly in SAP from mobile devices or SAP Portal.

These applications must integrate to the SES Approved Equipment List (AEL), Vehicle Equipment List (VEL), Approved Printing List (APL), Approved Inventory Lists (AIL) and selected Vendor online Catalogues directly into the SES procurement process, ensuring only approved materials are introduced into the SES network, and that only current vendor pricing is used during procurement. Integrating the AEL, VEL, APL and AIL with procurement request functions will ensure standardised, streamlined internal inventory and equipment requests, along with simplified external procurement process across the organisation. Mobility will simplify the procurement process further and allow the function to be extended beyond the zone offices to units and volunteers, removing existing manual and paper-based processes.

Procurement foundations will allow SES to design and implement a set of procurement policies and procedures aligned to existing NSW Government and SES Policy relating to all procurement activities for materials, equipment and services. Additionally, all procurement related master data required for Vendors, Vendor Invoice Management (VIM), Evaluated Receipt Settlement (ERS), external procurement Catalogues, Outline Agreements, Contracts and Materials Sourcing would be revised, cleansed, created or completed as required, also clearly defining and disseminating efficiency improvements across the entire Procure to Pay process cycle to SHQ, the Zones and Units.

Services procurement process improvements across the organisation, with simplified mobility solutions to create requisition/purchase documents for services which can be leveraged both during, and after, operational events and non-operational times, reducing use of paper based Emergency Order (EO) and Purchase Order (PO) books, having significant downstream process improvements with accounts payable and allocation of costs.

Operational event procurement process improvements through potential levels of centralisation, as well as a user-friendly method to create purchase documents in SAP. Standardising this process and ensuring all procurement is handled through a purchase order in SAP will also allow process improvements for accounts payable.

This initiative must align and integrate with all other projects of the FABS improvement program based around the Enterprise Asset Management (EAM) roadmap and comply with ICT enterprise architecture.

3. Services to be Supplied by the Tenderer

A complete set of efficient procurement processes, aligned with the procurement strategy, incorporating the new SES Organisational Structure with Zones and incorporating all procurement activities within SES, both non-operational and operational.

Clarification of roles and responsibilities of all stakeholders at every step of the complete procurement process from vendor creation through to final invoice payment, complete with updated, easy to understand and clearly defined user guides. Central Procurement Portal for all SES users available for use on SES issued devices, and integrated with all SES procurement relevant master data, contracts and selected vendor catalogues.

3.1 Mobile capability in the following:

- Procurement requests for operational procurement (Emergency Orders).
- Procurement requests for non-operational procurement (Standard & Framework Orders).
- Procurement requests for service procurement. (Service Orders).
- Requests for inventory and equipment from AEL & AIL (Stock Transport Orders).
- Goods Receipt or Service Entry Sheet for all procurement including inventory and equipment, at all locations, including at Units.
- Goods issues from all stores, including at Units.
- Approval of any purchase order.

3.2 Approved Equipment List

- AEL maintained in SAP system, integrated into procurement portal.
- Processes in place to support AEL maintenance.

3.3 Approved Inventory List

- AIL maintained in SAP system, integrated into procurement portal.
- Processes in place to support AIL maintenance.

3.4 Vehicle Equipment List

- VEL maintained in SAP system, integrated into procurement portal.
- Processes in place to support VEL maintenance.
- Bill of Materials (BOM), Kits usable in SAP.

3.5 User Guides and Training Materials

Updated asset management processes with complete and easy to follow user guides, Quick Reference Guides (QRG) and all training materials and documentation.

3.6 Master Data Cleansing

Establish protocols around the creation and ongoing maintenance of procurement related master data, and processes to ensure the data currently entered in our systems is of a high quality for procurement and inventory related data. Definitions of materials master key attributes, classifications and functional attributes allowing alignment to the needs of SES operational functions and capabilities. Non-conforming master data will then be cleansed according to the newly defined standards.

Item to be listed as Part B Configuration Pricing and listed separately.

3.6.1 Transactional Data Cleansing

Review all procurement transactional records in conjunction with SES procurement team to cleanse, finalise or archive purchase orders that are invalid, incomplete or need to be closed. Please request further details if needed at the tender briefing session.

Item to be listed as Part B Configuration Pricing and listed separately.

3.6.2 SAP Configuration and Master Data – Appendix A

Changes in SAP configuration and master data aimed at ensuring enterprise structure in SAP reflects the newly transformed zone based organisational structure and ways of working in the physical organisation. Appendix A summarises the procurement related changes, required in the SAP, in order to align physical and system organisational structures. This initiative must complete all configuration and master data changes, listed in Appendix A, and outstanding as at project commencement.

Item to be listed as Part B Configuration Pricing and listed separately.

3.7 SAP Mobility Server Security

SAP Security review of SAP Mobility server access and incorporate identity management using Azure AD, as listed in Appendix C – SEC-05. SES currently uses a Mobile App to approve purchase orders utilising SES issued mobile phones. The system currently uses SAP login credentials and there is no timeout one logged in, which poses security risks that need to be addressed.

Item to be listed as Part B Configuration Pricing and listed separately.

3.8 Implementation Services

The Tenderer must develop a comprehensive and detailed approach and strategy for the implementation including, but not limited to the following (Tenderer may propose others, based on their strategy / methodology / pricing):

- Project blueprinting.
- Project scope and project plan.
- Process mapping and documentation.
- SAP Migration plan.
- SAP Testing plan.
- Security review of impacted users/roles and proposal of any access changes required.
- Training plan and all user training documentation.
- Cutover plan.

Customisation / Development should be kept to a minimum and as far as possible industry best practices must be adhered to. Wherever required customisation / development should be done in a manner that it gives a reasonable assurance of upward compatibility with future versions of the platform, in particular S/4 Hanna.

Any required Customisation / Development to be performed in conjunction with the FRNSW SAP Services team as the service provider of the SAP system to NSW SES.

Note: Supply of hardware may form part of this RFQ, must be itemised separately, or Tenderer may provide specifications for SES to arrange procurement.

3.9 Testing Services

Conduct testing for the system, application and any customised components. Testing shall include, but not limited to the following (Tenderer may propose others, based on their strategy / methodology):

- Unit testing and test scripts
- Integration testing and test scripts
- User acceptance test facilitation and test scripts
- All above mentioned testing to include testing of SAP security access and Segregation of Duties (SOD) mitigation.

3.10 Training delivery and documentation

Functional and technical training to SES Staff and Volunteers, in operating and using the solution including SAP, Portal and Mobile Application software. Tenderer should provide training needs analysis, any training recommended and training delivery.

- The training duration will be suggested by the Tenderer based on the analysis.
- The test environment data required for the training to be set up by the Tenderer before the training commences.
- The Tenderer should provide overview training on the solution to Logistics management
- The Tenderer should provide overview training to SAP support staff.
- Creation of new user guides and updates required for any relevant existing guides.

3.11 Data Migration

Tenderer will provide the data migration plan and will be responsible for all data migration. Tenderer will provide all the data master formats/templates to ensure proper data migration.

- Any master data creation, evaluation, conversion and upload.
- This will also include SAP security roles required to be created or existing roles altered.

4. Performance Management

The NSW State Emergency Services procedures for reviewing contractor and consultant performance are implemented in accordance with the principles of procedural fairness to ensure that:

1. Timely and effective action is taken in response to reports of unsatisfactory performance or the development of an unsatisfactory business relationship with a contractor or consultant;
2. Contractors and consultants are given the opportunity to comment on reported performance and the Agency concerns regarding the performance, financial capacity or business relationship with the Department or Agency, prior to any action the Agency may choose to take to restrict the contractor or consultant's future business opportunities under the NSW SES;

The procedure for the review of performance depends on the completion of Performance Reports and may be initiated whenever the contractor or consultant's performance is considered to be generally unsatisfactory and one or more of the Performance Evaluation Criteria are rated as unsatisfactory in a Contractor or Consultant's Performance Report.

The Department or Agency is responsible for the monitoring of contractor and consultant's performance, benchmarking, trend analysis and strategic performance management including the application of sanctions when necessary.

In this role the Department or the Agency reviews the performance of a contractor or consultant on:

- The contract for which the Performance Report was prepared indicating critical aspects of performance as unsatisfactory;
- All other current and recently completed contracts arranged under the Department / Agency procurement systems;
- If relevant, on current and recently completed contracts being undertaken by the contractor or consultant for other NSW Government agencies for the project planning and/or delivery phase.

Additionally, when unsatisfactory performance is reported, the Department / Agency will check and assess whether the contractor or consultant's performance reflects adversely on the contractor's status with the Department as a prequalified contractor or consultant and/or Best Practice Scheme accredited contractor.

5. Service Level

5.1 PROJECT MANAGEMENT

Tenderer should propose a suitable project manager with diversified expertise to meet the requirement of NSW SES. The project manager will be responsible for the overall project management throughout the life cycle of the project to ensure successful completion of the project. Project management will include the following:

- Ensure timely delivery of all the deliverables related to this RFQ.
- Manage the total project i.e. delivery, customisation and implementation.
- Monitor risk management aspects and project delays.
- Ensure synchronisation of all the activities of the project i.e. planning, development, implementation, testing, training, go-live.

5.2 DOCUMENTATION

The first set of documents are linked to functional and security specifications of the project. The consultants will study the business processes and furnish the following documents before commencing project implementation work:

- Project charter.
- Project blueprint.
- Project plan.
- Prosed business process document.
- Process mapping and gap analysis.
- Change management strategy and planning.

5.3 CHANGE MANAGEMENT

The following Implementation of new or changed business processes will affect users in NSW SES and require change in the functional processes followed, during project implementation, the Tenderer will assist with, and advise on, creating and maintaining effective communication and change management vital to the successful adoption of the new or changed processes.

5.4 REALISATION

The following set of deliverables is linked to realisation of the Business Blueprint.

This will include any customisation and achieving specific developments. The consultants should also furnish the following documents (Tenderer may propose others, based on solution offerings).

As detailed in the next section, managing go-live events, each of the below deliverables applicable to any phased go-live event are to be completed as part of that phase and prior to that go-live event being approved.

- Configuration/Development functional specifications document.
- Configuration/Development technical specifications document.
- Data migration strategy document.
- All user guides and training documentation.
- All test scripts.
- Security control and SAP access role specifications.
- Cutover strategy document and detailed plan.
- Any other, as appropriate and identified during the course of the project.

5.5 MANAGING GO-LIVE EVENTS

Project delivery needs to be in a phased approach with the release of any component(s) agreed between Principal and Tenderer as ready for use to be phased accordingly, all normal project release go-live activities that would be applicable to a single project go-live will also be applicable to each phased go-live event.

Tenderers must itemise, in their response to this RFQ, components that they believe can be released prior to the final project go-live date along with an indicative release schedule.

Tender must provide a list of specific activities for each phased go-live event and the project final go-live. The cut-over plan submitted must ensure that the activities are completed before the event and are signed off by Principal.

- Final go-live date to be agreed with Tenderer but must not be during normal end of financial year activities due at 30th June, please seek clarification of specific timings from SMEs at the tender briefing.
- All training programs must be completed before any go live event.
- Each go-live event will be dependent on the successful UAT and sign-off by NSW SES.

6.   Reports

6.1   Procurement BI Reporting - Part C - Options Pricing.

SES is currently implementing a data warehouse reporting analytics project, using Power BI, initiative to work with analytics team to provide specifications which will enable some selected reporting requirements as outlined in Appendix B and available only to users of Power BI.

Tenders should include at least five (5) KPI reports listed in Appendix B, Tenderers may propose others as options with separate pricing for SES to choose from during implementation project.

6.2   Procurement Portal Reporting – Part A Procurement Application Pricing.

Reporting requirements section of Appendix B also lists reports to be incorporated into the SES Procurement portal and be available for all users to use directly from menus.

7.   Technical Support

The Tenderer will provide business hours support for an additional period of 90 days following the post go-live support period after final go-live date to resolve all implementation, operational and procurement processing issues and provide advice and support to the NSW SES SAP support team. Remote support is acceptable for issues that do not require on site presence of consultants and VPN is available for use where issue does not require physical presence to resolve.

Refer Category C of Returnable Schedule

.

Appendix A - SAP Changes

SAP Configuration & Data Changes – Itemise as Part B Configuration Services Pricing.

Description	Type	Rationale
Creation of five (5) new storage locations for Zones	Configuration	The new Zones should be represented in SAP with a new unique storage location to move away completely from the regional locations currently in place. These storage locations will be used to ensure correct delivery addresses on purchase orders, to possibly store inventory.
Creation of (x) number of storage locations for remote warehouses and inventory caches	Configuration	As the business has decides upon the locations of remote warehouses and inventory caches, additional new storage locations should be created to store the inventory. Existing regional storage locations should not be used to avoid confusion and force a change in ways of working.
Extension of material masters to new storage locations	Master Data	Extension of materials to storage new storage locations to allow inventory within the location.
Definition and creation of MRP related master data for new storage locations	Master Data	MRP Area data required to be created for materials in the new storage locations where MRP is required to propose replenishments.
Transfer of inventory from region to zone/remote warehouse locations	Transactional	Physically move, and transfer in SAP, all inventory from old storage locations to new, to allow deletion of old locations.
Deletion of open unprocessed documents (Purchase Order, Stock Transport Order, Physical Inventory Documents, etc.)	Transactional	Close out any open documents to allow deletion of old locations.
Creation of new shipping points + shipping point determination	Configuration	To allow warehouse to ship directly to units more efficiently. A shipping point per Unit will ensure that an STO with multiple line items, each with different delivery storage locations, will automatically be split into separate deliveries in the warehouse during the outbound process, removing a lot of manual workarounds currently in place.
FABS Process Security Review	Access Configuration & Master Data	A full security review should be undertaken to restrict usage of SAP procurement system as per newly defined FABS policies and processes. These would include restriction of PO creation with the ability to only process procurement within a specific SES zone.

Appendix B - Reporting

1. Reporting for Power BI Users

Part C Optional Pricing as a separately itemised or grouped option.

KPI reporting of standard metrics spread across procurement activities.

The goals of KPIs can be divided into major groups according to their purpose: receive savings, increase quality and improve operational support delivery. All groups are tightly bound together and it's important to understand that higher focus on any one of these could harm some of the others because it might impact overall supply sustainability.

Metrics should not be reported unless they align with strategy and serve to improve operational outcomes. Any KPI chosen to be monitored must have an owner whose task is to monitor and address variances from agreed performance levels. The KPIs listed below are not intended to all be implemented, instead they provide an indication of possibilities to choose from.

The following categories of KPIs are ones NSW SES may want to consider using:

- General Procurement KPIs
- Cost KPIs
- Quality KPIs
- Delivery KPIs
- Purchase Order Accuracy KPIs.
- Inventory KPIs

2. Key Performance Indicators

2.1 General Procurement KPIs

Procurement KPI dashboard with selection of important measures below.

- Compliance Rate: Understand if suppliers fulfil your requirements.
- Number of Suppliers: Track your level of dependency towards your suppliers.
- Suppliers for Materials: Track your level of dependency towards your suppliers.
- Purchase Order Cycle Time: Know vendors order turn-around times (assist with urgent orders).
- Supplier Availability: Measure supplier capacity to respond to demand.
- Supplier Defect Rate: Evaluate supplier delivery quality.
- Lead Time: Understand the total time to fulfil an order.
- Cost of Purchase Order: Control the internal costs incurred by each purchase.
- Percentage of purchases from Contracts, agreements.
- Purchase Dollars per annum and as a percent of total spend.
- Purchase dollars spent per active supplier.
- Purchase order cycle time (in days).
- Percent of purchase transactions processed as text.
- Percent of Framework, Services, Standard, STO & EO handled by the purchasing.
- Number of Requests for Quote issued.
- Number of suppliers.
- Suppliers for any material.
- Inactive Suppliers.
- Materials with Contracts, Outline Agreements or Requests for Quotation.

2.2 Save on costs KPIs

Direct cost-saving KPIs that help to improve procurement processes, using some of these KPIs, may help establish strategies to save on costs. The goal of these KPIs is to have more spend follow standard procedures, thereby saving on costs.

Cost of placing Purchasing Orders per type

Cost avoidance = Actual Purchasing Price – Lowest Price Quoted

Cost Reduction = Actual Purchasing Price – Last Price Paid

Procurement ROI = (Cost Reduction + Cost Avoidance)/Cost of Procurement Operation

2.3 Quality improving KPIs

Obtain a higher quality - Supplier Quality Index

Returns total value in dollars

Returns for any Vendor

Returns/defects for any material number.

Ratio of Rejection = $ Value of Goods Rejected/$ Value of Goods Received

Percentage of Suppliers Certified

Rejection of services from service providers. Lower the disapproval rate.

2.4 Delivery improving KPIs

Here you will find essential KPIs that help you to improve your procurement processes. Using some of the KPIs, may help you establish strategies to improve the delivery as well as continuity of your supply.

Supplier Lead Time (useful when material can be sourced from multiple suppliers).

Availability = No. of times goods were available from supplier/No. of orders placed with the supplier

Delivery is accurate to order – measures deviations of items supplied to ordered.

On-time delivery (especially important for operational supplies), getting materials at the right time is especially important since late delivery might affect supply chain continuity and early delivery results in higher inventory and operational delays during emergency events. It is measured by comparing the frequency of on-time deliveries to early and late deliveries.

DIF – Delivery in Full

DIFOT – Delivery in Full on Time

DOT – Delivery on Time

2.5 Purchase order accuracy

Right quantity and right product, purchase order accuracy indicates whether the suppliers are delivering the right quantity of the right goods.

2.6 Inventory KPIs

KPIs that assist in understanding overall inventory process functions and costs, effectiveness and appropriateness of inventory holding.

- Inventory stock turns in Days.
- Inventory Carrying Cost
- Inventory Activity = Average Monthly Inventory / Total
- Total on Hand Inventory
- Average inventory on hand (day/week/month/year)
- Slow moving stock
- Days on hand = Total stock / Average daily usage
- Order Pick, Pack and Ship Accuracy
- Back Order Rate – orders fulfilled rom stock on hand vs orders backordered / total orders
- Pick time & put away processing times
- Percentage of inventory that is listed in records but is not physically in the actual inventory.
- Percentage of shipped items that are returned.

3. Reporting for Procurement Portal Users

Portal reports are to be included as part of Part A - Procurement Application Pricing.

Reports to be built into the procurement portal and be available for use by any user to keep track of their own procurement activities.

- Portal reports to display details of outstanding goods receipts and what has actually been receipted.
- Portal reporting on procurement request processing/status/cycle time.
- Print out request documents created (also pdf).
- Run reports to provide information on own requisitions, purchase orders, goods receipts.
- Search and view vendor details, including, address and contact details, also, by materials supplied.

Appendix C - Business Requirements

1. Priority Based Rating

Business requirements describe the business needs in terms of behaviours or operations. Business requirements do not describe a technical solution or system functions. Business requirements entailing both functional and non-functional requirements are categorised using the following priorities and types and vendors should understand and incorporate these as part of their proposed solution or provide a response advising if any items are not included or listed as optional with additional pricing.

Note: Items listed as **Must (M)** are to be included in Part A – Procurement Application Pricing or noted as Out of Scope.

Items listed as **Should (S)** may be included in either Pat A - Procurement Application or Part C – Optional Pricing or listed as Out of Scope.

Priority		Description
Must	**(M)**	Requirements labelled as Must have are critical to the current delivery time frame for it to be a success.
Should	**(S)**	Requirements labelled as Should have are important but not necessary for delivery in the current delivery time frame.

2. FUNCTIONAL REQUIREMENTS

Functional requirements describe the system functionality the business needs in terms of system behaviours, automations or operational functionality.

ID	Requirement Description	Priority
FR-01	Goods receipts available on mobile devices, SAP or SES Portal.	S
FR-02	Approve purchase orders available on mobile device, SAP SES Portal.	M
FR-03	Create purchase requisitions available on mobile device, SAP or SES Portal.	M
FR-04	Service Entry Sheets available on mobile device, SAP or SES Portal.	S
FR-05	User worklist on mobile device, SAP or SES Portal.	S
FR-06	Materials availability at SHQS visible to requester.	S
FR-07	Search the integrated SES AEL, VEL, APL & AIL catalogues.	M
FR-08	Search selected vendor online catalogues.	M
FR-09	Initiate shopping cart from the procurement portal.	M
FR-10	Select items from searches of any catalogue and add to cart.	M
FR-11	Add free text line items to cart, or create new cart for these.	M
FR-12	View, change, save/hold/return to and submit shopping cart at any time.	M
FR-13	Delete any item from cart.	M
FR-14	Cancel entire shopping cart entered incorrectly.	M
FR-15	Search for and copy any previous shopping cart to create new.	M
FR-16	Enter header or item text against any item in cart.	M
FR-17	Add attachments to any item in cart.	S
FR-18	Process to return goods to vendor for incorrect items or quality issues.	S

ID	Requirement Description	Priority
FR-19	Cancel and reverse goods receipt or service entry sheet, entered incorrectly.	M
FR-20	Approver's option to Reject or Cancel order.	M
FR-21	Approval of STO & PO by delegated officer with comments optional.	M
FR-22	Rejection of STO & PO by delegated officer with comments mandatory.	M
FR-23	Process any rejected PO and re-submit for approval.	M
FR-24	Requests with valid inventory, equipment details converted to STO & workflow for immediate approval.	M
FR-25	Text PRs created appear on procurement WL for review, conversion to PO.	S
FR-26	Procurement can review, reject, accept or return to requestor any PR.	S
FR-27	Notification to requester if PR rejected and/or returned for changes.	M
FR-28	Notification to requester if PR accepted, converted to PO and approved.	S
FR-29	Notification to requester when request converted to STO and approved.	S
FR-30	Visibility of SES stock levels and items on back order.	M

3. NON-FUNCTIONAL REQUIREMENTS

3.1 Usability

ID	Requirement Description	Priority
USA-01	Automation where possible instead of manual data entry.	S
USA-02	Mobile Apps available for use on mobile device.	S
USA-03	All functionality to be available in SAP or SES Portal.	M
USA-04	Central devices located at all Units which any Volunteer can access and use new functions.	S
USA-05	The system should be intuitive and easy to use with minimal process steps.	S
USA-06	The system is supported by documented user manuals and procedures, easily understood by staff and untrained volunteers.	M
USA-07	Complete and easy to follow user guides and training materials.	M
USA-08		

3.2 Security

ID	Requirement Description	Priority
SEC-01	Access roles required for any new processes introduced/activated in SAP, Portal and SAP Mobility.	M
SEC-02	Access for Volunteers using approved mobile devices.	S
SEC-03	General access in Units.	M
SEC-04	Security review should be undertaken to restrict usage of SAP system as per newly defined procurement policies and processes, including restriction of PO creation, ability to process within a specific zone. (Appendix A)	S
SEC-05	Security review of SAP Mobility server access and incorporate using Azure AD.	S

ID	Requirement Description	Priority
SEC-06	Completion of Appendix A security review.	S

4. REPORTING REQUIREMENTS

Specific reporting requirements that need to be included in the scope, reporting requirements to include both management overview reporting across SES procurement processes, and reports at the individual requester level.

ID	Reporting Requirement	Priority
REP-01	General procurement KPI, Appendix B outlines some possible choices, others may also be relevant for Power BI Users.	S
REP-02	Portal reports to display details of outstanding goods/services and what has actually been receipted.	M
REP-03	Portal reporting on procurement request processing/status/cycle time.	M
REP-04	Print out from Portal of request documents created (also to pdf).	S
REP-05	Run reports on Portal to provide information on own requisitions, purchase orders, goods receipts.	M
REP-06	Search and view vendor details through Portal during procurement, including address and contact details, also, by materials supplied.	M